

PRESS RELEASE

MOBILISATION THROUGH BOND PRIVATE PLACEMENTS REACHES YET ANOTHER HIGH IN 2023-24 AT ₹9.98 LAKH CRORE: primedatabase

The recently concluded financial year 2023-24 witnessed an all-time high fund mobilisation through corporate bonds on private placement basis of ₹9,97,804[#] crore, an increase of a huge 17 per cent from last year, according to primedatabase.com, India's premier database on the primary capital market. This was mobilised by 976 institutions and corporates. Such deals, listed and unlisted, which have a tenor and put/call option of above 365 days have been considered.

According to Pranav Haldea, Managing Director, PRIME Database Group, despite changes in taxation relating to debt mutual funds and expectations of lower borrowing costs, there was a surge in credit demand on the back of strong economic growth.

Summary by Issuer Type: According to primedatabase.com, the highest mobilisation in the year was made by the All-India Financial Institutions/Banks category at ₹4,67,995 crore. This was in comparison to ₹4,33,608 crore in 2022-23, representing an increase of 8 per cent. An increase in mobilisation was also witnessed by the private sector (excluding banks/FIs), up by a huge 44 per cent to ₹4,96,446 crore compared to ₹3,44,166 crore in 2022-23.

Full year mobilisation through Debt Private Placements	
Year	Amount (₹ crore)
2014-15	4,74,757
2015-16	4,95,841
2016-17	7,07,878
2017-18	6,65,445
2018-19	6,35,622
2019-20	6,74,480
2020-21	7,53,684
2021-22	6,34,963
2022-23	8,52,198
2023-24	9,97,804

Source:primedatabase.com

Government entities, put together, mobilised 39 per cent of the total amount, slightly lower than 41 per cent in 2022-23. As per primedatabase.com, among government entities, All-India Financial Institutions/Banks led with a 91 per cent share followed by a 8 per cent share by PSUs.

Issuer Type	2022-23			2023-24		
	No. of Issuers	Amount (₹crore)	% share	No. of Issuers	Amount (₹crore)	% share
Government						
All-India Financial Institutions & Banks/Subsidiaries	21	2,74,831	32	19	3,56,366	36
Public Sector Undertakings	14	57,900	7	7	29,758	3
State Financial Institutions	1	477	-	2	694	-
State Level Undertakings	3	16,047	2	4	2,912	-
Sub-Total	39	3,49,255	41	32	3,89,730	39
Private Sector						
All-India Financial Institutions & Banks/Subsidiaries	14	1,58,777	19	11	1,11,629	11
Private Sector - NBFCS / Financial Services	293	2,05,043	24	327	2,59,052	26
Private Sector - Manufacturing / Services	545	1,39,123	16	606	2,37,394	24
Sub-Total	852	5,02,944	59	944	6,08,075	61
Total	891	8,52,198	100	976	9,97,804	100

Source:primedatabase.com

Top Issuers: The highest mobilisation through debt private placements during the year was by NABARD (₹65,393 crore) followed by REC (₹52,140 crore), HDFC (₹46,062 crore), PFC (₹45,130) and SIDBI (₹38,600 crore). The top 5 issuers of 2023-24 raised ₹2,47,505 crore (or 25 per cent of total) in comparison to ₹2,48,719 crore (or 29 per cent of total) raised by the top 5 issuers of 2022-23.

Summary by Tenor: Maximum amount of monies was raised in the **above 10 year maturity bucket (₹3.29 lakh crore or 33 per cent of the total amount)** followed by 3-5 years bucket (₹2.78 lakh crore or 28 per cent of the total amount).

Tenor	2022-23		2023-24	
	Amount (₹crore)	%	Amount (₹crore)	%
1 - 2 years	36,517	4	62,153	6
2 - 3 years	64,262	8	1,14,186	11
3 - 5 years	2,61,913	31	2,77,316	28
5 - 7 years	1,16,852	14	1,64,297	16
7 - 10 years	41,795	5	29,244	3
10 - 15 years	2,40,058	28	2,44,953	25
Above 15 years	53,873	6	84,065	8
Perpetual	36,758	4	21,591	2

Source:primedatabase.com

Summary by Coupon: **56 per cent of the total amount (₹5.56 lakh crore)** was in 7-8 per cent coupon range and 16 per cent (₹1.63 lakh crore) in the 8-9 per cent coupon range.

Coupon	2022-23		2023-24	
	Amount (₹crore)	%	Amount (₹crore)	%
Below 7%	43,484	5	48,119	5
7% - 8%	4,92,486	58	5,55,789	56
8% - 9%	1,46,761	17	1,62,751	16
9% - 10%	35,661	4	32,584	3
Above 10%	55,668	7	1,02,502	10
Zero Coupon	24,166	3	34,946	4
Floating Rate	53,972	6	61,115	6

Source:primedatabase.com

Summary by Credit Rating: Issues of as much as ₹6.63 lakh crore or 66 per cent of the overall amount were AAA rated.

Credit Rating	2022-23		2023-24	
	Amount (₹crore)	%	Amount (₹crore)	%
AAA	5,75,650	68	6,62,763	66
AA+	95,490	11	64,885	7
AA	46,566	5	43,758	4
AA-	14,610	2	17,569	2
A+	16,006	2	13,194	1
A	6,348	1	8,771	1
A-	5,419	1	8,397	1
BBB+ and below	16,180	2	32,241	3
Not rated / Not known	75,930	9	1,46,227	15

Source:primedatabase.com

Summary by Sector: On an industry-wise basis, the Banking/Financial Services sector continued to dominate the market, collectively raising ₹7,26,541 crore or 73 per cent of the total amount. Housing/Civil Construction/Real Estate sector ranked a distant second with a 6 per cent share (₹60,426 crore).

433 first-time issuers hit the market in 2023-24 in comparison to 414 last year.

In addition to the above, 17 Infrastructure/Real Estate Investment Trusts (InvITs/ReITs) also privately placed bonds worth ₹14,155 crore in 2023-24 (2022-23: 9 InvITs/ReITs, ₹4900 crore).

Public Bonds: Public bonds market saw a near 179 per cent increase with 48 issues raising ₹20,787 crore in comparison to 32 issues raising ₹7,444 crore last year. The largest issue was from Power Finance Corp. raising ₹2,824 crore.

Overseas Bonds: In addition, Indian companies also raised ₹3.79 lakh crores through overseas borrowing (including ECBs^{\$}), up by 71 percent from ₹2.22 lakh crores in 2022-23.

Mobilization amount of some unlisted issues is not available

\$ ECB data updated till February 2024
